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19 AUG 1967

MEMORANDUM FOR: Deputy Director for Science and Technology

SUBJECT : Inspector General's Report of Investigation of Charges of Mismanagement of an OSI Contract

1. Forwarded herewith are two copies of the Inspector General's report of investigation of charges of mismanagement of an OSI contract with [REDACTED] for preparation of NIS sections on health and sanitation. The Inspector General reports that a tentative decision has been made to terminate the contract upon expiration at the end of fiscal year 1968 and thereafter to accomplish this production internally. His only recommendation, which appears in his summary of the report, is that the decision to terminate be affirmed.

2. I am troubled by OSI's seeming inability over a number of years to bring this production under reasonable control. Its remedy for poor performance under the contract has been to seek a new contractor, whose performance in each case appears to have differed little from that of the previous contractors. I believe it would be appropriate for you to require of the Director of Scientific Intelligence a firm commitment to be prepared to handle this production internally on a continuing basis as of 1 July 1968 or, failing that, to divest himself of the responsibility entirely.

3. May I have your response within thirty days.

L. K. White
Executive Director-Comptroller

Attachments
(IG's Report of Investigation)

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